

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO

IN RE

JOSE ALFONSO CARRASQUILLO
ORTIZ

Debtors

P.R. ELECTRIC POWER AUTHORITY

Plaintiff

v.

JOSE ALFONSO CARRASQUILLO
ORTIZ

Defendant

* Case No. 16-05715 (ESL)

* Chapter 7

* Adversary Proceeding No. 16-00253(ESL)

* Re: Determination of dischargeability

JOINT NOTICE OF PROPOSED SETTLEMENT AGREEMENT

TO THE HONORABLE COURT:

COME NOW plaintiff Puerto Rico Electric Power Authority (“PREPA” or “Plaintiff”) and Defendant/Debtor (“Defendant” or “Debtor”), through their respective undersigned counsel, and very respectfully state, allege and pray:

A. PROCEDURAL BACKGROUND

1. On November 21, 2016, PREPA filed a complaint requesting a determination as to the dischargeability of Debtor’s debt with PREPA for undue use of electric energy or irregularities in the consumption of electric energy (Irregularidades en el Consumo de Energía Eléctrica” or “ICEE” for its Spanish acronym) pursuant to 11 U.S.C. §§ 105 and 523(a). See Dkt. No. 1.
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2. On December 20, 2016, Debtor answered PREPA's complaint denying all allegations of wrongdoing. See Dkt. No. 7.

3. On December 21, 2016, PREPA served its initial disclosures on Defendant.

4. On March 1, 2017, Defendant served his initial disclosures on PREPA.

5. On March 10, 2017, the parties attended the Initial Scheduling Conference held before this Honorable Court. See Dkt. No. 10.

6. On March 28, 2017, PREPA served on Defendant "PREPA's Interrogatories, Request for Production of Documents and Request for Admissions".

7. On April 21, 2017, the parties requested a stay of discovery proceedings pending settlement negotiations. See Dkt. No. 13.

8. Later on, the discovery continued since the parties had been unable to reach a settlement and on September 18, 2017, Defendant served on PREPA "Defendant's Interrogatories, Request for Production of Documents and Request for Admissions". See Dkt. No. 18-19.

9. Nonetheless, at present the parties have agreed to avoid the uncertainties and costs that continued litigation would entail. Therefore, in order to avoid further litigation costs and the risks entailed, the parties have agreed to settle the adversary proceeding of caption pursuant to the following terms and conditions of this Proposed Settlement Agreement (the "Agreement"):

B. TERMS AND CONDITIONS

a. Debtor will pay PREPA the amount of \$20,813.54. Payment of the aforementioned amount will be completed in sixty (60) equal monthly payments, with an interest rate of 5.25%, of \$395.17 commencing within five (5) days from the entry of the order approving the Agreement. Equal monthly payments of \$395.17 will be paid by Defendant to PREPA

during the next sixty (60) months within five (5) days from the entry of the order approving the instant settlement agreement.

b. Debtor accepts that the amount of \$20,813.54 stated in item (a) above is not a dischargeable amount pursuant to 11 U.S.C. §§ 523(a)(2), (4), (6), and (7).

c. Debtor shall continue to timely pay all of PREPA's invoices for the supply of electric power and related charges.

d. Debtor shall not interfere with PREPA's electrical facilities in Debtors' properties.

e. The parties shall bear their own costs, expenses, and attorney's fees.

f. The parties hereby release each other from any claims that they may have against each other arising from or in connection with the facts alleged in PREPA's complaint and Debtor's answer to PREPA's complaint, except for (i) the payments required to be made by Debtor to PREPA as stated in item "a" above, (ii) the amount that Debtor may owe PREPA for PREPA's proof of claim in the bankruptcy case, if applicable (including any portion of said claim awarded administrative priority pursuant to 11 U.S.C. § 503(b)(9)), and (iii) any post-petition and/or post-confirmation amounts that Debtor may owe PREPA.

g. In consideration of the payments stated in item "a" above, and the other terms and conditions of this settlement agreement, PREPA will move for the voluntary dismissal of its complaint once the order approving this settlement agreement becomes final and unappealable.

h. The release established in item (f) above and the reduction to \$20,813.54 of PREPA's claim of \$105,168.1 for ICEE is contingent on the entry of an order discharging Debtor of his liabilities for debts that arose prior to the date of his bankruptcy petition.

i. PREPA and Defendant expressly and irrevocably agree that any claim that they may have or may arise related in any manner, shape, or form to this Agreement shall be addressed exclusively by the Court of First Instance of the Commonwealth of Puerto Rico, San Juan Part (the "State Court"), and PREPA and Defendant expressly and irrevocably waive any right they may have to remove or to consent to removal by another of any such claims to any court different from the State Court, including, without limitation, to the U.S. District Court for the District of Puerto Rico or the U.S. Bankruptcy Court for the District of Puerto Rico.

j. PREPA may terminate, disconnect, or suspend the supply of electric power to Defendant if Defendant fails to timely pay any amounts due under this Agreement or if Defendant breaches or fails to timely comply with any of the terms and conditions of this Agreement and/or as PREPA may be allowed pursuant to its rules and regulations.

k. Defendant shall give or shall cause notice of this Agreement to be given to any and all parties to whom such notice must be given pursuant to any applicable statute, order, rule, or regulation.

l. This Agreement shall not be valid and shall not be binding on PREPA or Defendant until the same has been approved by a final and unappealable order.

m. The order approving this Agreement shall be final and unappealable immediately upon its entry, provided that said order is entered after the expiration of the time period fixed for the filing of objections to this Agreement and the order has been entered without opposition or objection to this Agreement.



WHEREFORE the parties respectfully request from the Honorable Court that it enter an order approving the instant settlement agreement and that, once said order becomes final and

unappealable, the Honorable Court enter an order dismissing the adversary proceeding of caption, to which Debtor expressly consents.


JOSE ALFONSO CARRASQUILLO ORTIZ

Fausto L. Vargas Flores

PREPA's representative Jefe de División ICEE

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 17th day of July 2018.

NOTICE TO INTERESTED PARTIES: Within twenty-one (21) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

CERTIFICATE OF SERVICE: We hereby certify that on July 17 2018, we caused a copy of the foregoing motion to be electronically filed with the Clerk of the Court using

the Court's CM/ECF protocol, which will give notice of the same to all interested CM/ECF participants.

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